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TAGS: [IR](#) [PGOV](#) [PINR](#) [ECON](#) [EPET](#)  
SUBJECT: IRAN'S OIL MINISTRY FROM THE INSIDE

CLASSIFIED BY: Jason L. Davis, Consul General, Dubai, UAE.  
REASON: 1.4 (b), (d)

¶1. (C) Summary: According to several contacts, employees of Iran's Oil Ministry and the National Iranian Oil Company (NIOC) are relatively satisfied with the selection of the new Oil Minister. At the same time, they were confused by President Ahmadinejad's promises to root out what he termed as the "oil mafia". End Summary.

¶2. (C) Eliyas Harounian, an engineer who has worked for Iran's Oil Ministry and National Iranian Oil Company (NIOC) for more than 30 years, met with Conoff on December 21 and discussed Iran's oil industry. The discussion with Harounian, who is Jewish, of the current situation of Jews in Iran is reported septel.

Happy About New Oil Minister, But Problems May Lie Ahead  
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¶3. (C) Harounian indicated that most of his colleagues at NIOC and in Iran's Oil Ministry are happy that the Majlis finally approved President Ahmadinejad's fourth candidate for Oil Minister, Kazem Vaziri Hamaneh. They see Hamaneh as the most experience of the four candidates, given his long experience in the Oil Ministry. Two other NIOC employees voiced similar opinions to Conoff during their visa interviews on December 28.

¶4. (C) Oil Ministry employees' morale boost may be short-lived, however. Harounian revealed that the new minister has apparently made up a list of 400 first and second level managers he wants to replace at the Ministry. Given restrictions on firing Iranian government employees, Harounian believes it is possible these managers will be demoted, vice fired. Nonetheless, demotions would adversely affect their pensions as the salary government employees make when they retire determines their pensions.

No Knowledge of "Oil Mafia"  
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¶5. (C) Harounian also indicated that he and his colleagues at NIOC in Esfahan do not know what Ahmadinejad is talking about when the President makes repeated calls to oust the "oil mafia" in NIOC and the Oil Ministry. He acknowledged, however, that because the Oil Ministry and NIOC have offices spread throughout the country, it is possible his office in Esfahan is simply not privy to such insider information.

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